

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 04433 121735Z

53

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 ERDA-05 CIAE-00 H-02 INR-07 L-03

NSAE-00 OIC-02 OMB-01 PA-01 PM-03 PRS-01 SAJ-01

SAM-01 SP-02 SS-15 USIA-06 TRSE-00 DODE-00 NSC-05

ACDA-05 BIB-01 CU-02 STR-04 COME-00 CIEP-01 /091 W

----- 018580

R 121655Z JUN 75

FM USMISSION GENEVA

TO SECSTATE WASHDC 3692

INFO USMISSION EC BRUSSELS

USMISSION NATO

AMEMBASSY MOSCOW

LIMITED OFFICIAL USE GENEVA 4433

E.O. 11652: NA

TAGS: CSCE PFOR EGEN EEW T

REF: GENEVA 3604; GENEVA 2725; STATE 106106; GENEVA 398

1. SUMMARY: ISSUE OF RECIPROCITY IN TRADE RELATIONS REMAINS UNRESOLVED AND POSES THREAT TO EARLY SUCCESSFUL COMPLETION OF BASKET II. DISCUSSION IN INFORMAL MEETING OF COMMITTEE II AND AT SMALL WORKING DINNER THIS WEEK UNDERLINES HARD OPPOSING POSITIONS OF THE CE AND THE EASTERN DELEGATIONS. END SUMMARY.

2. A GENERAL UNDERSTANDING HAS BEEN REACHED ON TWO ELEMENTS OF A RECIPROCITY TEXT WHICH WOULD INCLUDE REFERENCE TO OVERALL RECIPROCITY AND MUTUAL SATISFACTION. A THIRD ELEMENT, CONTAINED IN EC TEXT (GENEVA 398), REFERS TO "SECURING IN PRACTICE ADVANTAGES AND OBLIGATIONS OF EQUAL WEIGHT". THIS IS A VARIANT OF EQUIVALANCE OR EQUALITY OF ADVANTAGES AND OBLIGATIONS WHICH HAS COMPRISED A KEY ELEMENT OF EC TEXT THROUGHOUT STAGE II.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 04433 121735Z

3. SOVIETS VIEW THIS ELEMENT AS EFFORT TO EXTRACT CONCESSIONS WHICH ARE NOT NECESSARILY RELATED TO PARTICULAR TRADE NEGOTIATIONS. SOVIET DEL POJARSKY CITED JACKSON AMENDMENT AS EXAMPLE DURING DISCUSSION AT DINNER MEETING. HE ADDED THAT SOVIETS CONSIDER NOTION OF EQUIVALENCE OR EQUALITY WOULD COMPLICATE INDIVIDUAL TRADE NEGOTIATIONS BY GIVING UNDUE LEVERAGE TO WESTERN PARTIES. SOVIETS ARE UNABLE TO UNDERSTAND EC MOTIVES IN SEEKING TO INSERT NEW ELEMENT IN TRADE RELATIONS SINCE EAST-WEST TRADE EXPANDING AT SATISFACTORY RATE. IN POJARSKY'S VIEW, AGREEMENT ON THIS ELEMENT IS HIGHLY IMPROBABLY IF NOT IMPOSSIBLE.

4. EC (STRONGLY SUPPORTED BY AUSTRIA) ARE CONVINCED THAT EQUIVALENCE CONCEPT REPRESENTS KEY ELEMENT IN EXPANDING TRADE RELATIONS WITH EAST SINCE THEY FEEL THEY ARE NOT ADEQUATELY COMPENSATED FOR THEIR TRADE LIBERALIZATION POLICIES. EC BELIEVES THAT TIME IS ON THEIR SIDE SINCE WESTERN FIRMNESS HAS RESULTED IN BASKET I AND III CONCESSIONS AS WELL AS SUCCESSFUL EFFORT TO RESIST CHANGES IN SCIENCE AND TECHNOLOGY TEXT. IN LAST ANALYSIS, THEY BELIEVE THAT EAST MUST CONCEDE ON THIS POINT WHICH HIGH-LEVEL SOVIET OFFICIALS COULD NOT PERMIT TO BLOCK SUCCESSFUL CONCLUSION OF STAGE II.

5. U.S. ROLE FROM OUTSET OF THIS CONTROVERSY HAS BEEN LOW-KEY, LEAVING MATTER TO BE RESOLVED BETWEEN EC AND EAST. WE HAVE MADE CLEAR ON MANY OCCASIONS (INCLUDING RECENT DINNER MEETING) THAT OUR INTEREST IN RECIPROCITY TEXT IS LINKED TO MFN AND THAT THIS TEXT SHOULD MAKE CLEAR THAT "EFFECTIVE RECIPROCITY" IS REQUIRED AND THAT THIS BE DEFINED IN THE CONTEXT OF BILATERAL AND MULTILATERAL AGREEMENTS. WE HAVE INFORMED SOVIETS THAT EC TEXT IS AGREED WESTERN POSITION ALTHOUGH WE HAVE NOT TAKEN STRONG POSITION IN DEFENSE OF THIS TEXT.

6. IN DISCUSSIONS WITH EC AND IN NATO CAUCUS WE HAVE INDICATED, HOWEVER, THAT WE WOULD BE SATISFIED WITH TEXT WHICH WOULD SUBSTITUTE "MUTUALLY ACCEPTABLE BALANCE OF ADVANTAGES AND OBLIGATIONS" (STATE 226623; GENEVA 6228). WE HAVE URGED MORE FLEXIBLE APPROACH ON PART OF EC AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 04433 121735Z

WE HAD HOPED THAT EC WOULD HAVE ENGAGED IN INTENSIVE AND MEANINGFUL NEGOTIATIONS WITH EAST.

7. UNFORTUNATELY, POSITIONS ON THIS ISSUE ARE AS RIGID AS THEY WERE AT OUTSET OF STAGE II. FAILURE TO RESOLVE THIS ISSUE PARADOXICALLY MAY RESULT IN BASKET II BECOMING A HURDLE TO EARLY COMPLETION OF STAGE II WHEREAS IT HAD BEEN ASSUMED THAT THIS BASKET WOULD HAVE BEEN THE FIRST TO

COMPLETE ITS WORK.

8. MFN TEXT HAS NOT BEEN DISCUSSED IN THESE RECENT
MEETINGS AND WE INFER FROM SOVIET REPS THAT THEY WILL
NOT PRESS TEXT UNACCEPTABLE TO US (GENEVA 3604). DALE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COLLECTIVE SECURITY, TRADE, SOCIAL RECEPTIONS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GENEVA04433
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750205-0762
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750658/aaaacafp.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 GENEVA 3604, 75 GENEVA 2725, 75 STATE 106106, 75 GENEVA 398
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 21 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 APR 2003 by ElyME>; APPROVED <22 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: PFOR, EGEN, EEWT, CSCE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006